

FULL LEASED  
WIRE DISPATCHES

# The Daily Capital Journal

CIRCULATION IS  
OVER 4000 DAILY

THIRTY-EIGHTH YEAR

SALEM, OREGON, THURSDAY, DECEMBER 9, 1915

PRICE TWO CENTS

ON TRAINS AND NEWS  
STANDS—FIVE CENTS

## GERMAN CHANCELLOR TALKS OF PEACE TERMS

### Says Germany Does Not Want To Conquer Any Country— Germany Is Fighting a Defensive War and Overtures for Peace Must Come From the Other Side—Asks Eng- land to Harmonize Its Theories About Alsace-Lorraine and Its Actions in India—Germany Fights For Life and Liberty

Berlin, by wireless to Sayville, L. I., Dec. 9.—Germany stands ready to discuss peace proposals with her enemies, provided they are "compatible with Germany's dignity and safety."

Such was Chancellor Bethmann-Hollweg's statement at "peace day" in the reichstag today before crowded galleries.

"As long as in enemy countries, the statement's guilt and ignorance are entangled with the public's confusion," Hollweg declared, "it would be folly for Germany to make proposals which would not shorten, but instead would lengthen the war."

"First the masks must be torn from their faces. Now they speak of a war of annihilation against us. We have to consider this fact—that theoretical arguments for peace will not advance us; they will not bring the end nearer. If our enemies make proposals compatible with Germany's dignity and safety we will always be ready to discuss them."

Germany does not, however, accept responsibility for continuation of the struggle.

ropes along lines of nationality as Germany's foe has proposed. In this connection, he asked whether England knew that of the 1,900,000 inhabitants of Alsace, more than 87 per cent speak German as their mother tongue, despite France's claim that this land, taken from France in 1870, is in reality French. At the same time, the chancellor asked whether Poland belonged to Russia by right of nationality, and demanded to know whether the same principle as in the case of Alsace loses its power when applied to India and Egypt.

**Fight for Life and Liberty.**

The more Teuton enemies continue the war with bitterness, the more will Germany need guarantees to insure her future position, the chancellor asserted.

"We do not fight to subjugate other nations," he said. "We fight for protection of our life and liberty. For Germany, this war has always remained what it was at the beginning—a war of defense and a war for the future. This war can only be terminated by a peace which gives the human certitude that it will not return."

The opponents of Germany, he added, blinded themselves at the beginning by false stories concerning Germany.

"Now, after military and diplomatic defeats, they are only able to cling to the idea of annihilation of Germany," he went on.

"For this purpose they invented the theory of starvation of this nation. But our foodstuffs are sufficient and the only important question in this connection is that of distribution. The great economic unit stretching from Arras to Mesopotamia cannot be crushed."

**Socialist Leader Talks.**

Socialist leader Scheidemann, whose interpellation drew forth Hollweg's statement, followed the chancellor. At the outset, he reminded the reichstag that at the beginning of the war, socialists approved the government's attitude.

"A glance at the map," he said, "will show that Germany is conscious of her strength and successes. Germany can now speak for peace without risking being considered weak hearted or dispirited."

At the same time, he protested against the dreamers who see annexations in the wake of the struggle.

Scheidemann assailed those favoring annexation of conquered countries and reminded them that the Kaiser himself declares this is not a war of conquest.

"But," he added, "it is equally foolish for our enemies to advocate dismemberment of Germany or a crusade against so-called Prussian militarism."

Moreover, he branded it folly for the French to continue to desire possession of Alsace-Lorraine. But, in demanding a statement as to Germany's peace terms, Scheidemann asserted that notwithstanding her victories, Germany has also made great sacrifice.

**Europe on Verge of Ruin.**

"The question of peace is uppermost in the minds of belligerents," he said. "Statesmen, however, do not know how to begin negotiations because they consider it would be taken as a confession of weakness."

In this connection, he mentioned Lord Curzon's peace address to parliament and the agitation of Italian socialists for peace. He quoted Count Andrássy as authority for the statement that the longing for peace is general in France.

"The war," Scheidemann suggested, "is bringing Europe to the verge of ruin."

However, he assailed the idea that it is possible to starve Germany.

The census, he pointed out, showed 20,000,000 kilograms of grain and 55,000,000 kilograms of potatoes and these amounts are enough to last Germany for a long time.

In conclusion, he denied that Germany is seeking world leadership, as enemy nations maintain. She wants merely to be equal with other nations. By moving toward peace now, Germany may gain the glory she first dreamed of, he suggested.

Hollweg claimed that the allies had tried liberal offers to persuade Bulgaria to join them.

"But King Ferdinand renegeed the promise he gave after the second Balkan war, in which Bulgaria bore the brunt of the battle and was then deserted by Russia," said the chancellor. "Serbia then received her reward from Russia because her vanguard against Austria, but now Bulgarian flags float over the re-conquered Bulgarian soil. Serbia is crushed, and another small country has been sacrificed for the allies' interest."

"The Danube is now free. The Turkish position at the Dardanelles is firmer than ever, although Premier Asquith, of England, this summer proclaimed its imminent fall."

The chancellor mentioned too, the al-

### PEACE STATEMENTS OF LEADERS

England is willing to discuss serious proposals for peace, made by her enemies, either directly or through a neutral—Premier Asquith in the house of commons yesterday.

Germany is ready to discuss peace terms if they are compatible with Germany's dignity and safety.—Chancellor Bethmann-Hollweg to the reichstag today.

## DOES NOT LIKE THIS COUNTRY ANY MORE

### German Consul Bopp Scolds America and Threatens to Leave It Soon

San Francisco, Dec. 9.—Both German Consul Bopp and Attorney Lempe for C. C. Crowley, alleged anti-bomb plotters, today laid in England's door charges that she has been a transgressor against American neutrality. Japan, likewise, was termed an offender, while American officials were named as countenancing some of the British activities.

Bopp was frankly bitter toward America. He expressed himself as willing and anxious to quit the country and claimed many German-Americans are renouncing their citizenship and will return to the fatherland when the war is at an end, because of the anti-German feeling in this country.

Bopp intimated United States District Attorney Preston is pro-British. In fact, he suggested, Preston failed to take action against the British consul following discovery of British recruiting activities here.

As for Crowley's lawyer, he pleaded Crowley had traced for the German consulate activities of the British and Japanese that were flagrant violations of American laws.

Among his claims were:

That American fugitives left here to aid the Japanese cruiser Asama, stranded in Turkei bay.

That Japanese cruisers smuggled Japanese recruits aboard after rounding them up in Fresno and Los Angeles.

That Collector of Customs Davis permitted the British steamer Llangorse to remain in this port 54 hours, violating neutrality by overstaying her allowed time, though the Washington administration ruled there was not a violation.

That submarine parts, made by the United Iron Works here, had been smuggled into Canada for assembling.

That submarine parts, destined for Vancouver, were taken on barge in the night to the British steamer Civilian.

That sulphuric acid had been shipped on British vessels under the guise of oil.

That collusion between United States officials and the Canadian authorities permitted Japanese to pass into Canada to reinforce Japanese cruisers.

That army automobiles, bought for Canada were stored in the Buffalo, N. Y. armory.

"I am disgusted with the ill feeling displayed in this country," Bopp declared. "And I am not the only one. After the war there will be a general exodus of German-Americans. I do not like this country any more, and I shall be happy to return to Germany."

He restrained himself in comment on the president's attack on "hyphenates," but hinted he believed it aimed chiefly at German-Americans, though he admitted perhaps it dealt with British sympathizers, too.

### Seattle Crooks Prevent Citizens Getting Lonesome

Seattle, Wash., Dec. 9.—Seattle's experiences with crooks Wednesday night and early this morning, included a pistol fight between a merchant patrolman and two alleged highway, one of whom was perhaps fatally wounded; a jitney bus holding by three bandits who later held up a saloon and the robbery of \$30 from a meat delivery boy by a man who had telephoned for pork chops and asked that change be sent.

James Moran, aged 43 years, is in the city hospital with a bullet through his liver and Charles Sato, aged 24, is in the city jail, as the result of the encounter with the merchant patrolman, H. Halverson.

### TRYING TO PREVENT HANGING

Phoenix, Ariz., Dec. 9.—Justice Cunningham of the supreme court today reissued a writ of habeas corpus to Ramon Villalobos, condemned to hang tomorrow. Another appeal for a writ on other technical grounds, will be made to Judge Baughm in Florence probably just prior to the hour set for the hanging.

lies' attempts to regain the lost Balkans through threats of vengeance against Greece.

"Those who used the pretext that they were warring against Prussian militarism," he said, "now threaten Greece with the English navy. This attitude makes it impossible for them to continue their hypocrisy about Belgium."

## MARION COUNTY TO PAY \$112,286.70 AS 1916 STATE TAX

### State General Fund For 1916 Is \$562,000 Less Than Tax of 1915

### THIS COUNTY'S SHARE SECOND TO MULTNOMAH

### Levy For Marion County \$26- 156 Less Than of Last Year

General state fund	\$1,624,849.92
O. A. C.	373,798.01
U. of O.	250,348.07
State Board fund	233,023.76
Monmouth Normal	37,379.80
Total	\$2,519,999.56
Marion county's share	\$112,286.70

The total state tax for 1916 will be \$2,550,000 according to the recommendations of the state tax commission which was presented to the state board for approval this afternoon. While the list is but tentative it will doubtless be adopted as it stands by the board but if there are any changes they will be proportionate in all of the counties of the state. Last year the state tax was \$3,112,000 and the tax of this year is a decrease of \$562,000. Of the total sum Marion county will contribute \$112,286.70, which is a decrease of \$156,345 from last year's levy in this county which was \$268,445.75.

In 1914 the state tax was \$1,222,000 and in 1915 it totalled \$4,165,000 and in order to equalize the off years when the state legislature was not in session the 1913 legislature provided that more money than was needed might be raised in the years when appropriations were not due in order that the state tax would not be high one year and low the next.

Included in the state tax are the four millage assessments fixed by law for the Oregon Agricultural College, University of Oregon, State Road Fund and Monmouth State Normal school respectively and exclusive of these the amounts to be raised for general state purposes is \$1,624,849.92.

The respective amounts to be raised by the counties of the state as compared with 1915 follow:

	1915	1916
Baker	79,545.93	56,451.89
Benton	39,422.81	33,879.31
Clackamas	111,842.17	93,929.25
Clatsop	77,837.34	63,785.15
Columbia	48,248.45	40,144.65
Coos	55,975.05	56,564.10
Crook	48,432.93	37,256.94
Curry	13,174.14	10,082.71
Douglas	85,732.28	81,546.45
Gilliam	29,094.09	23,388.60
Grant	23,137.72	18,821.55
Harney	27,432.29	23,503.76
Hood River	33,363.76	26,479.20
Jackson	97,278.01	88,408.51
Jefferson	12,423.59	12,423.59
Josephine	28,400.11	26,267.55
Klamath	48,413.39	40,034.99
Lake	28,412.56	23,248.56
Lane	132,892.94	109,925.39
Lincoln	48,432.93	37,256.94
Linn	99,210.50	82,371.43
Malheur	39,895.83	31,533.29
Marion	138,443.55	112,286.70
Morrow	31,393.85	25,257.75
Multnomah	1,182,912.29	937,561.05
Polk	56,709.08	48,411.76
Sherman	28,400.11	23,154.00
Tillamook	52,175.79	42,148.95
Umatilla	136,604.35	109,859.10
Union	64,412.17	51,349.35
Wallowa	36,824.29	29,740.64
Wasco	52,054.43	41,924.55
Washington	89,535.25	72,843.30
Wheeler	12,749.86	10,370.86
Yamhill	69,273.12	56,740.05

Totals ... \$3,112,000.00 \$2,550,000.00

### McManigal Testifies In the Schmidt Case

Los Angeles, Cal., Dec. 9.—Bartholomew Mahoney, superintendent of the San Francisco postoffice, temporarily replaced Orin McManigal today on the witness stand in the murder trial of M. A. Schmidt, alleged McNamara assassin. Mahoney identified several postal forwarding notices which indicated Schmidt was in Los Angeles at the time of the alleged conspiracy leading up to the destruction of the Times. Jesse G. Smith, general manager of the Pan-American Bridge company of New Castle, Ind., was also given a chance to recite his story. He described an explosion at his plant in 1910.

When McManigal resumed the stand he delved deeper into his stock of information concerning dynamites throughout the east. He told of going with Herbert S. Hockin to inspect the Beaver bridge which crossed the Ohio river near Rochester, Pa., and of planning to blow it up.

### TRICHINOSIS IN PORK

Portland, Ore., Dec. 9.—Following four deaths in Portland of trichinosis, 1195 pounds of pork will be destroyed today as a part of the campaign of the health department against further spread of the disease. The pork came from a Clackamas county farm. An extensive investigation of pork shipments into Portland has been promised.

Nine other cases of trichinosis were reported to the health authorities.

## JUDGE WOLVERTON COMPLETES DECREE

### This Limits Equity of S. P. In O. & C. Lands To \$2.50 Per Acre

Portland, Or., Dec. 9.—Federal Judge Wolverton formally read in court today the decree which limits the equity of the Southern Pacific railroad in 2,300,000 acres of the Oregon-California land grant to \$2.50 per acre. The decree will be filed before night.

The decree furthermore permanently enjoins the railroad from selling portions of the land in question to others than actual settlers or in tracts larger than 100 acres. Another injunction prevents even such sales until congress shall have had time to define its attitude in the matter.

An important feature of the decree is the ruling which will compel the railroad to pay all costs of the suit, which are tremendous, the cross complainants and intervenors who claimed title to the land by right of settlement or otherwise are relieved of the costs in their suits.

The decree affects hundreds of settlers on Oregon land and is one of the most important in the history of Oregon jurisprudence.

## WAR BOOM TOWN IS PROBABLY BURNED

### Mushroom City Near Dupont Powder Works On Fire— Wires Down

Hopewell, Va., Dec. 9.—The entire business section of this "war boom" town was threatened today by a fire which started in a Greek restaurant and spread speedily as it was fanned by a high wind.

The Dupont Powder company fire department was aided by volunteers and aid came, too, from Petersburg, Va.

### Fire Is Still Spreading.

Richmond, Va., Dec. 9.—A special carrying fire apparatus was rushed this afternoon to Hopewell to cope with the conflagration there. The flames were reported still spreading.

Governor Stuart this afternoon ordered two companies of militia from Richmond and one from Petersburg to come here to suppress looting and disorder.

The flames had not been controlled at 3:30 o'clock.

Later, Hopewell was apparently cut off from the world and all wires were reported to be down. The cause of the fire has not been ascertained, but it is believed to have been incendiary.

### The Note to Austria Unsettles Market

(Copyright 1915 by the New York Evening Post.)

New York, Dec. 9.—The government note to Austria in the Ancona case chilled the market's enthusiasm today. There was no immediate reaction, pressure on the later market caused an irregular reaction and the market closed generally uncertain.

The point of view is best indicated by saying that while the soundest financial opinion approves both the stern communication to Vienna and a conservative preparedness program, it feels that both incidents mark a drift in events, requiring close attention in determining the real financial outlook.

### TO QUIT SEIZING SHIPS

Washington, Dec. 9.—Great Britain has acceded to the United States request that no more American trans-Atlantic line vessels be seized pending action of the British prize court in the Hocking, Genesee, and Kanakee cases, Ambassador Page at London, today advised the state department.

The department was informed that none of the seized vessels of the line will be requisitioned by Great Britain until the prize court has reached a decision. The Hocking is believed to be heading for England, the Genesee and Kanakee to be in the Falkland islands and Montevideo respectively.

## KING MUST SOON SAY "UNDER WHICH BANNER"

### Allies Retreating Brings Fighting Near Greek Frontier and This May Force Constantine to Join One Side or the Other—Heavy Artillery Battle on Eastern Champagne —Half a Million Germans and Turks Will Make Cam- paign Against India

Athens, Dec. 9.—King Constantine may have to make an early and definite choice between the entente and central powers.

The allies, it is officially reported, are retreating from southern Serbia toward Greece. How far they will withdraw is not indicated, but the retirement results from Austro-German and Bulgarian attacks along the allied front with the odds two to one against the allies.

News of the allies' withdrawal has caused the greatest excitement here, for it is realized that with the battle approaching the Greek frontier, the king perhaps may have to make his decision soon between the two sides.

Reports are current that Greek authorities who went to Salonika to confer with the allies, have now gone to the frontier, empowered to deal with any situation arising from a possible allied retreat through Greece.

### To Carry War to India.

London, Dec. 9.—Half a million Turks and Germans will make a campaign against India, instead of against Egypt, Rome reports to the Telegraph said today. Bulgarians, the story went, will guard the Balkan lines of communication.

### Austrian Warships Busy.

Paris, Dec. 9.—Austrian warships bombarded Durazzo Monday, and shelled the Italian wireless station the Montenegrin consul reported today. Several Albanian and Montenegrin vessels were sunk.

### Submarine Sunk Two.

London, Dec. 9.—The British vessels Veria and Goulandris have been sunk by submarines. The crew of the Veria lauded.

### Turks Move on Aden.

Constantinople, Dec. 9.—The Turks are moving toward Aden, following successes in the vicinity of Mahadi, it was claimed officially today.

### Bulgars Take Station.

Sofia, Dec. 9.—The Bulgars have occupied the village of Grovica and the Demirkapu railway station which the French evacuated, it was officially announced today.

### Tentons Have Serbia.

Berlin, by wireless to Sayville, Dec. 9.—Bulgarian soldiers have occupied Struga and Ochrida, Debia and Gyakovo, thus clearing practically the whole Serbian region of Serb toeman, it was officially announced today.

### Russian Forces Gather.

Zurich, Dec. 9.—The Russo-Romanian frontier station at Ungeni, and the frontier harbor of Reni have been closed, according to Bucharest advices today, reporting the arrival of thousands of Russian forces at both points. Great activity was reported in Bessarabia.

### Concentration of Russian Forces at Reni for a Bulgarian Expedition has been frequently reported.

### FINANCES GREATEST IN NATION'S HISTORY

### Secretary of Treasury Files Report Filled to Brim With Optimism

Washington, Dec. 9.—A sweeping declaration of American financial stability was made by Secretary of the Treasury McAdoo in his annual report to congress today.

"Our financial resources are the greatest in our history and our banking system, through the operation of the Federal reserve system is the strongest in the world," he said.

Commenting on business conditions, the secretary declared one of the most encouraging features was that the demand for iron and steel products is heavier from domestic than from foreign sources.

Among recommendations made is one that persons having a gross income of \$3,000 or more a year shall pay an income tax. The law at present provides for net incomes of that amount, leaving it to the individual to determine whether his net income is \$3,000 or more. The report does not mention other income tax law changes suggested by the secretary in a recent statement.

Indicating the fight to be made on the so-called pork measure the omnibus public buildings bill, the secretary advances arguments for its discontinuance. He cites bad public building conditions in many cities.

He supports the idea of government treatment of drug addicts by the public health service or other government agency, and suggests that the Harrison anti-narcotic act be made more stringent.

Concerning the public health service, the secretary urges upon congress the necessity for more commissioned medical officers and larger public health field investigation. He points out that the United States is the only country which does not provide for the insu-

tion and care of lepers. There are approximately 146 lepers in the U. S., he states, and congress is urged to pass a bill introduced at the last congress, for a national leproarium.

Plans are being worked out by the coast guard and navy, the secretary says, to make the former organization a valuable auxiliary to the navy in time of war.

The secretary also calls attention to the saving effected by the treasury's innovation of shipping money by parcel post rather than express. He recommends increasing the salaries of assistant secretaries from \$5,000 to \$7,500. The present salary, the secretary points out, makes it necessary for men of the caliber desired, to sacrifice themselves financially to hold the position.

### The Cabinet Discusses Bomb Plotters and Others

Washington, Dec. 9.—Following a cabinet conference yesterday in which supposedly plans for laws to deal with activities of "hyphenated Americans" were discussed, United States District Attorney Marshall of New York conferred today with Attorney General Gregory. They went over the evidence of various plots by hyphenates, and a chain of indictments is expected to follow the attorney's return to New York.

### THE WEATHER

Oregon: Fair tonight and Friday; colder to night east portion; westerly winds.

## Abe Martin



Tell Binkley's brother is one of them progressive farmers that owns a automobile and buys his milk. Cupit has only got one more shot at the White House.